

Consolidated Financial Results Highlights for the Second Quarter of the Fiscal Year ending March 31, 2014 [Japanese GAAP]



November 1, 2013

Company Name: HARIMA CHEMICALS GROUP, INC.

Code Number: 4410

(URL: <http://www.harima.co.jp>)

Stock Exchange Listing: Tokyo Stock Exchange

Representative: Yoshihiro Hasegawa, President

Contact: Teruo Kaneshiro, Executive Director

Phone: +81-6-6201-2461

Scheduled submission date of the Quarterly Securities Report: November 8, 2013

Scheduled date to commence dividend payments: December 3, 2013

Availability of supplementary briefing material on quarterly results: Not available

Schedule of quarterly results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2014 (From April 1, 2013 to September 30, 2013)

(1) Consolidated Results of Operations (Cumulative) (% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter ended September 30, 2013	36,030	9.5	327	(26.2)	798	-	(198)	-
September 30, 2012	32,906	(11.3)	443	(81.5)	(215)	-	(534)	-

(Note) Comprehensive income: Second quarter ended September 30, 2013: 1,498 million yen [396.3%],
Second quarter ended September 30, 2012: 301 million yen [(85.6%)]

	Net income per share	Fully diluted net income per share
	Yen	Yen
Second Quarter ended September 30, 2013	(7.67)	—
September 30, 2012	(20.61)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second Quarter ended September 30, 2013	63,895	31,097	46.4
Fiscal year ended March 31, 2013	61,355	29,822	46.5

(Reference) Equity: The second quarter of Fiscal year ended March 31, 2014: 29,632 million yen,
Fiscal year ended March 31, 2013: 28,510 million yen

2. Dividends

	Annual dividend				
	1Q	2Q	3Q	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2013	—	7.00	—	7.00	14.00
Fiscal year ending March 31, 2014	—	7.00			
Fiscal year ending March 31, 2014 (Forecast)			—	7.00	14.00

(Note) Changes in forecasts of dividends from recently announced figures: None

3. Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(% indicates changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	73,000	14.5	1,200	108.1	1,600	12.6	100	(53.7)	3.85

(Note) Changes in forecasts of financial results from recently announced figures: Availabale

4. Others

- (1) Significant changes of subsidiaries during period under review (affecting specific subsidiaries due to changes in scope of consolidation): None
Newly included: 0 (Company name:) Excluded: 0 (Company name:)
- (2) Application of special accounting method for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - (1) Changes in accounting policies accompanying the revisions to items such as accounting standards: None
 - (2) Changes in accounting policies other than (1) above: None
 - (3) Changes in accounting estimates: None
 - (4) Corrections of errors: None
- (4) Number of shares issued (common stock)

- (1) Total number of shares issued at the end of the period (including treasury stock)

2Q of fiscal year ending March 31, 2014	26,080,396 shares
Fiscal year ended March 31, 2013	26,080,396 shares

- (2) Total number of treasury stock at the end of the period

2Q of fiscal year ending March 31, 2014	131,342 shares
Fiscal year ended March 31, 2013	131,247 shares

- (3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

2Q of fiscal year ending March 31, 2014	25,949,121 shares
2Q of fiscal year ended March 31, 2013	25,949,210 shares

* Presentation regarding the implementation status of the quarterly review:

This summary of consolidated financial results is not subject to the quarterly review procedures provided for by the Japanese Financial Instruments and Exchange Law. Therefore, at the time of the disclosure of these financial results, the quarterly financial statement review procedures based on the Law have not been completed.

* Explanation for the appropriate use of performance forecasts and other special notes:

The performance forecasts and other forward-looking statements herein are based on information currently available to the Company and certain preconditions which the Company believes to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

Segment Information

I. Six months ended September 30, 2012 (April 1, 2012 to September 30, 2012)

Information regarding net sales and income or loss by reporting segment

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	10,694,629	6,046,083	2,200,165	13,143,321	32,084,199
Intersegment sales or transfers	108,543	296,332	—	128,981	533,856
Total	10,803,172	6,342,415	2,200,165	13,272,302	32,618,056
Segment income (loss)	208,147	360,801	74,115	(699,174)	(56,110)

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	841,028	32,925,227	(18,509)	32,906,718
Intersegment sales or transfers	27,979	561,836	(561,836)	—
Total	869,007	33,487,063	(580,345)	32,906,718
Segment income (loss)	53,158	(2,951)	(212,236)	(215,188)

II. Six months ended September 30, 2013 (April 1, 2013 to September 30, 2013)

Information regarding net sales and income or loss by reporting segment

(Thousands of yen)

	Reporting segment				
	Resin & Tall Oil Products	Paper Chemicals	Electronics Materials	Lawter	Subtotal
Net sales					
Net sales to external customers	10,180,529	7,197,961	2,533,422	15,232,751	35,144,665
Intersegment sales or transfers	109,494	348,592	—	125,024	583,111
Total	10,290,023	7,546,554	2,533,422	15,357,776	35,727,776
Segment income (loss)	44,594	241,773	184,489	(344,493)	126,363

	Others (Note 1)	Total	Adjustment (Note 2)	Amount in consolidated statement of income (Note 3)
Net sales				
Net sales to external customers	885,901	36,030,567	(11)	36,030,555
Intersegment sales or transfers	66,009	649,120	(649,120)	—
Total	951,911	36,679,687	(649,132)	36,030,555
Segment income (loss)	78,343	204,707	594,291	798,999

- (Notes) 1. The “Others” segment includes businesses not included in the reporting segments and mainly includes “Real estate management.”
2. The adjustment amount of segment income includes adjustments for inventories.
3. Segment income is adjusted to reflect ordinary income as recorded in the quarterly consolidated statement of income.